

FIRST REGULAR SESSION

# HOUSE BILL NO. 766

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES BRAY AND LOWE (Co-sponsors).

Read 1<sup>st</sup> time February 13, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1913L.011

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### AN ACT

To amend chapter 386, RSMo, by adding thereto four new sections relating to renewable energy resources.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 386, RSMo, is amended by adding thereto four new sections, to be  
2 known as sections 386.825, 386.828, 386.831 and 386.834, to read as follows:

**386.825. For purposes of sections 386.825 to 386.834, the following terms shall  
2 mean:**

3       (1) "Commission", the public service commission;

4       (2) "Customer-generator", a customer who owns and operates an electrical  
5 generating facility with a capacity of not more than one hundred kilowatts powered by  
6 renewable energy, as defined pursuant to rule by the department of natural resources, and  
7 which is located on the customer's premises, is interconnected and operates in parallel with  
8 the electric distribution system, and is intended primarily to offset part or all of the  
9 customer's own electricity requirements;

10       (3) "Department", the department of natural resources;

11       (4) "Net energy metering", the difference between the electricity supplied by the  
12 electrical distribution system and the electricity generated by a customer-generator and fed  
13 back to the electric distribution system during an annual electrical billing period;

14       (5) "Renewable energy sources", energy from wind, solar or thermal sources,  
15 photovoltaic cells and panels, dedicated crops grown for energy production, organic waste  
16 biomass used for electricity production, low head hydropower and other alternative  
17 sources of environmentally preferable energy;

18       (6) "Retail provider", a marketer, broker, aggregator, retail electric or gas

19 provider or other entity selling electrical or gas service to consumers at retail, including  
20 electrical corporations, gas corporations, electric cooperatives formed pursuant to chapter  
21 394, RSMo, and a municipally owned or operated electric power system as defined in  
22 section 91.025, RSMo.

386.828. 1. The commission shall, before January 1, 2003, adopt rules and  
2 regulations establishing procedures and standards for a retail provider to disclose standard  
3 and useful information that the commission deems necessary to any person upon request,  
4 to prospective retail customers prior to commencement of service, and with bills to its  
5 customers on a quarterly basis.

6 2. Terms of service shall be provided to any person upon request and to prospective  
7 retail customers prior to commencement of service and shall be written in easily  
8 understood plain words and paragraphs in the same manner as the original retail customer  
9 solicitation materials. Retail customers shall have seven business days following the receipt  
10 of terms of service information in which to cancel their agreement to purchase electricity.  
11 Such terms of service information shall include, but not be limited to, the following:

- 12 (1) The actual price structure, including whether contract price is fixed or variable;
- 13 (2) Price variability, such as time of day, seasonal variation, demand charge, spot  
14 market price and interruptibility;
- 15 (3) Contract details including length of term;
- 16 (4) Contract cancellation procedures;
- 17 (5) Required deposits;
- 18 (6) Fees and penalties;
- 19 (7) Disconnection terms;
- 20 (8) Detailed statement of customer rights;
- 21 (9) Toll-free number for service complaints; and
- 22 (10) Other terms or statements as specified by the commission.

23 3. Further information as specified in this subsection shall be presented in a  
24 uniform label for each electricity product sold by each retail provider in an easily  
25 understood format. The label shall appear on all marketing materials sent to retail  
26 customers or prospective retail customers, in the terms of service document as required  
27 pursuant to subsection 2 of this section, in all written advertising materials, including  
28 newspapers, magazines and other written media, and on the Internet. The information  
29 required shall be presented to the commission for inclusion on its Internet homepage. Any  
30 telephonic or other electronic solicitation shall inform customers that a copy of the  
31 disclosure label may be obtained upon request. The label shall contain the following  
32 information:

33           (1) The average selling price for generation services offered for at least three typical  
34 monthly usage levels for customers of similar size;

35           (2) Length of contract period;

36           (3) Whether the rate is fixed or variable;

37           (4) The sources of electricity supplied, specified by percentages, of biomass power,  
38 coal-fired power, hydropower, natural gas-fired power, nuclear power, oil-fired power,  
39 solar power, wind power and other resources, in such format as the commission shall  
40 require;

41           (5) A standardized chart in a format to be determined by the commission which  
42 provides the amounts of carbon dioxide, nitrous oxides, sulfur dioxide emissions and  
43 nuclear waste attributable to the known sources of electricity supplied as set forth in  
44 subdivision (4) of this subsection; and

45           (6) Other information as the commission may determine that permits and facilitates  
46 comparison shopping for electricity services by customers.

47           4. Compliance with the provisions of this section shall be a condition for licensure  
48 to sell electricity at retail in this state.

          386.831. 1. The department shall prescribe by rule a requirement for retail  
2 providers to sell to retail consumers electricity generated from renewable energy resources,  
3 as well as requirements for implementation and compliance. The rule shall include a  
4 portfolio requirement for new renewable energy sources of three percent in 2005, five  
5 percent in 2008 and seven and five-tenths percent in 2015, and shall apply to all retail  
6 providers of electricity to retail consumers in this state, except municipally owned or  
7 operated electric power systems and rural electric cooperatives, unless such systems and  
8 cooperatives have chosen to participate in retail competition. The rule shall apply to the  
9 average of all power sold by the retail provider, whether it is self-generated or purchased  
10 from some other source in this state or outside this state.

11           2. The department shall establish by rule or other administrative means, in  
12 consultation with the commission, a certification process for power generated from  
13 renewable resources. The certification process shall ascertain whether a retail provider  
14 meets the renewable requirement through self-generation or the purchase of renewable  
15 energy from other sources in this state or outside this state.

16           3. Certification criteria for renewable energy generation shall be determined by  
17 factors that include fuel type, technology and the environmental impacts of the facility.  
18 Renewable energy facilities shall not result in undue adverse air, water or land use impacts,  
19 including impacts associated with the gathering of generation feedstocks.

20           4. Compliance with the provisions of this section shall be a condition for licensure

21 to sell electricity at retail in this state.

386.834. 1. Net energy metering shall be accomplished using a single meter, capable  
2 of registering the flow of electricity in two directions. An additional meter or meters to  
3 monitor the flow of electricity in each direction may be installed with the consent of the  
4 customer-generator, provided that it is not at the expense of the customer-generator. If an  
5 additional meter or meters are installed, the net energy metering calculation shall yield the  
6 same result as when a single meter is used.

7 2. The department shall develop, in consultation with the commission, a simple and  
8 standard contract providing for net energy metering and made available to eligible  
9 customer-generators on a first-come, first-served basis until the total rated generating  
10 capacity owned and operated by eligible customer-generators in this state equals the lesser  
11 of ten thousand kilowatts or one-tenth of one percent of the state's actual peak electricity  
12 demand for calendar year 1999.

13 3. Net energy metering shall be carried out as follows:

14 (1) Each net energy metering contract or tariff shall be identical, with respect to  
15 energy rates, rate structures, and monthly charges, to the contract or tariff to which the  
16 same customer would be assigned if such customer was not an eligible customer-generator;

17 (2) No new or additional "demand", "stand-by", "customer", "minimum  
18 monthly", or other charges shall be assessed that would serve to increase a customer-  
19 generator's minimum monthly charge to an amount greater than that of other customers  
20 in the rate class to which the eligible customer-generator would otherwise be assigned.

21 4. The period during which the net energy measurement is calculated shall be  
22 annualized. The following provisions shall apply to the annualized net energy  
23 measurement:

24 (1) The net energy produced or consumed on a monthly basis shall be measured in  
25 accordance with normal metering practices;

26 (2) If the electricity supplied by the electric distribution system exceeds the  
27 electricity generated by the customer-generator during the month, the customer-generator  
28 shall be billed for the net energy supplied in accordance with subsection 3 of this section;

29 (3) If the electricity generated by the customer-generator exceeds the electricity  
30 supplied by the electric distribution system, the customer-generator shall be credited for  
31 the excess kilowatt hours generated in accordance with subsection 3 of this section. The  
32 kilowatt-hour credit shall appear on the customer-generator's next monthly bill; and

33 (4) At the end of the annual period, any remaining unused credit for the excess  
34 kilowatt hours generated by the customer-generator during the prior year shall be  
35 purchased by the local utility or distribution company at its avoided cost.

36           **5. Renewable energy electric systems used by customer-generators shall meet safety**  
37 **and power quality and interconnection codes and standards adopted by rule of the**  
38 **commission.**

39           **6. The commission may adopt, by rule, standardized control and testing**  
40 **requirements for customer-generators that the commission determines are necessary to**  
41 **protect public safety and system reliability.**

42           **7. No electric utility shall require a customer-generator whose renewable energy**  
43 **electric system or systems meet the standards of subsection 5 and 6 of this section to install**  
44 **additional controls, perform or pay for additional tests or purchase additional liability**  
45 **insurance.**

46           **8. Applications by a customer-generator for interconnection to the distribution**  
47 **system shall be reviewed and responded to by the distribution utility within thirty days.**  
48 **The distribution utility's requirements for interconnection shall not exceed the technical**  
49 **standards adopted by the Underwriters Laboratory and the Institute of Electrical and**  
50 **Electronics Engineers related to grid interconnection, unless a different standard has been**  
51 **adopted by rule of the commission. If the application for interconnection is approved by**  
52 **the distribution utility, the distribution utility shall complete the interconnection within**  
53 **fifteen days, unless a later date is mutually agreeable to both the customer-generator and**  
54 **the distribution utility.**